A UNITED STATES DEPARTMENT OF **COMMERCE** PUBLICATION

MATCHING GRANTS PROGRAM

for promoting Tourism to the United States

U.S. DEPARTMENT OF COMMERCE
United States Travel Service
Washington, D.C. 20230

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A GUIDE TO POLICIES AND PROCEDURES

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FOREWORD

The United States Travel Service (USTS), an agency of the U.S. Department of Commerce, is the national government tourist office of the United States. Its mission is to:

a. Develop, plan and carry out a comprehensive program designed to stimulate and encourage travel to the United States for the purpose of study, culture, recreation, business and other activities;

b. Encourage the development of tourist facilities, low cost unit tours, and other arrangements within the United States for meeting the requirements of foreign visitors;

c. Foster and encourage the widest possible distribution of the benefits of travel at the cheapest rates between foreign countries and the United States consistent with sound economic principles;

d. Encourage the simplification, reduction, or elimination of barriers to travel, and the facilitation of international travel generally; and

e. Collect, publish, and provide for the exchange of statistics and technical information, including schedules of meetings, fairs, and other attractions, relating to international travel and tourism.

The International Travel Act of 1961, as amended by PL 91–477, authorized USTS

to make matching grants to States or their political subdivisions or a combination thereof, or private or public nonprofit organizations for projects designed to carry out the above stated mission of the United States Travel Service.

This guide contains general instructions for submission of matching Federal grant applications in support of USTS's mission. It also contains selected information for administering matching grants and managing of work conducted under such grants.

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I. TYPES OF GRANT PROJECTS SUPPORTED

The United States Travel Service considers Federal Assistance Applications from States, regions or political subdivisions and from public or private nonprofit organizations for programs, projects or activities designed to promote travel from abroad to the United States or to improve services for foreign visitors in this country.

Emphasis of the matching grants program changes from year to year, but in general projects include:

1. Special promotions of domestic attractions, facilities, events and services by means of promotional films, exhibits, and travel shows;
2. Advertising in foreign countries to encourage residents to visit the United States;
3. Research and feasibility studies to determine foreign travel markets, allocation of resources and improvement of services; and
4. Projects and programs to improve domestic services for foreign visitors.

II. SUBMISSION OF MATCHING GRANT APPLICATIONS

WHO MAY SUBMIT

Federal Assistance Applications may be submitted by States (including the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands) ; Political subdivisions (county, municipality, city, town, township, or other special district created by or pursuant to law) or a combination of any of the above; and private or public non-profit organizations with Internal Revenue Service tax exempt status, as defined in Section 501(a) of the Internal Revenue Code.

WHEN TO SUBMIT

Federal Assistance Applications may ordinarily be submitted at any time. Applicants should allow about eight weeks or more for processing time. Every effort is made to reach a decision and inform the applicant promptly.

WHERE TO SUBMIT

Applications should be addressed to:

Grants Officer
United States Travel Service
U.S. Department of Commerce
Washington, D.C. 20230

Each application will be acknowledged upon receipt by USTS.

WHAT TO SUBMIT

Each applicant shall file the *Federal Assistance Application* (Form USTS-1) ac-

companied by *five exhibits* (See Appendix I) as required by Section 1200.3 of the Rules and Regulations of the *Federal Register* dated August 27, 1971. To facilitate processing, every application, exhibit, or enclosure shall be submitted in quadruplicate, duly authenticated and referenced.

Title of Proposed Project

The title of the proposed project should be brief but descriptive.

Proposed Project Duration

Specification of proposed starting and ending dates is of great value to USTS for scheduling reviews as well as establishing an effective period of the grant. The length of time for which support is requested should be consistent with the nature and complexity of the proposed project.

Proposed Project Activity

Each application should describe briefly what the project is designed to do as an effort to encourage foreign residents to visit the United States or to improve host services for foreign visitors in this country. The specific work and/or services to be performed by the applicant, consultant, or subcontractor should be described precisely. Moreover, each application should contain a thorough but concise description of the planned activity including details of how the proposed activity is to be accomplished.

Project Director

As grants are awarded in part on the basis of the qualifications of the professional personnel, a *vita* of the project director (listing his training and qualifications) is required.

The project director is responsible for the conduct of the project activity and represents the applicant in dealing with USTS on technical matters relating to the project. He is responsible for all aspects of the day-to-

day administration of the project, for insuring that funds are expended for purposes specified in the grant award, for supervision of other employees associated with the project, and for timely preparation and submission of required reports.

Proposed Budget

It is incumbent upon the applicant to prepare accurate cost estimates, since requests for supplemental funds will not be allowed except in extremely unusual instances. Increasing or decreasing the scope of work of the project will not be permitted unless specific permission is obtained from USTS.

A detailed budget is required for each proposed project, showing the estimated total cost of the project with separate columns showing a breakdown of costs by line items of the applicant's share and the Federal share requested.

Disclosure of Other Federal Assistance

The applicant must provide information for any applications being submitted or have been submitted to other Federal agencies for this or a related project. The information should include the name, amount requested or being requested and the disposition of each request.

Matching Funds

Matching funds must be provided by the State or political subdivision or by a combination thereof, or from other non-Federal sources and may include fees, contributions, donations, gifts of money, and special user charges from persons and private profit or nonprofit firms, organizations, or institutions. The Federal share requested for any proposed project may not exceed 50% of the total project cost.

Endorsement

Every Federal Assistance Application must bear the signatures of the project director and of an administrative official who is authorized to commit the applicant to provide appropriate matching funds.

EVALUATION PROCEDURES

All proposed projects are reviewed and evaluated by an appropriately designated technical officer, who after the award, is responsible for monitoring the technical aspects of the work, and the Matching Grants Committee of USTS. Each project is then presented for final decision to the Assistant Secretary for Tourism.

Projects which strengthen the VISIT USA campaign and conform to USTS's own priority programs will receive first priority. Moreover, projects which will have immediate effect will be given priority over those projects where expected results are unpredictable or vague.

Five factors are given primary consideration in assessing the merit of a proposed project: (1) Is the project in an area of pressing need? (2) Will the project be of substantial benefit to the nation's VISIT USA program? (3) Does the project cover areas of greatest potential for attracting foreign visitors? (4) Does the project offer assurances of effective promotion? (5) Does the project offer a reasonable assurance of increased foreign exchange earnings for the U.S.?

PRIVILEGED INFORMATION

When an application results in a USTS grant, the application and its supporting materials become a part of the record which may be made available to the public upon request. However, information or material which USTS and the applicant mutually

agree to be of a privileged nature will be held in confidence as required by applicable law.

An application which has not resulted in a grant will be retained by USTS but will not voluntarily be made available by USTS without the consent of those who signed the application, or their successors in office.

An application may be withdrawn by the grantee any time prior to final action thereon by USTS.

III. ADMINISTRATION OF MATCHING FUNDS GRANTS

GRANT AWARD

Notification of a grant award is by letter signed by the Assistant Secretary for Tourism or his designee. The grant letter is addressed to the grantee organization, the chief executive officer, or his designee, to which the grant is made. Copies are sent to the project director and the business officer.

The grant letter will contain special conditions and will incorporate by reference certain general conditions or documents which, upon acceptance of the grant, become binding on the grantee. These conditions and documents relate to the conduct of the grant activities, including the general nature and scope of the activity. Any changes in the terms or conditions will be done by mutual agreement.

GRANT PERIOD

The grant period is established by the grant award. Unless otherwise specified in the grant award, the grant becomes effective on the date of grant letter. The expiration date is specified in the grant award letter. If it appears that extra time is required to complete the project, a written request for an extension of time must be submitted to USTS for approval. Only in exceptional cases will more than one extension be granted.

SALARIES AND WAGES

Salaries and wages charged against the Federal share must be comparable to those

paid for similar work in the local labor market. These funds may not be used to increase the total regular compensation of project personnel.

PERSONNEL BENEFITS

Personnel benefits (social security, retirement, etc.) are allowances and services provided by the grantee to its employees as compensation in addition to regular salaries and wages. If the grantee's contribution to personnel benefits is treated as direct cost, funds may be requested to defray such expenses. The grantee's established practice should be followed in requesting such benefits.

CONSULTANTS

Compensation for consultants should be fair and reasonable as required for the project. USTS reserves the right to approve consultant fees, and consultants recommended by the grantee.

SUBCONTRACTORS

If it is necessary for the grantee to enter into a subcontract, USTS must approve the subcontractors and any subcontract before it is signed. Such approval will be based on a determination that the subcontract contains the provisions required to protect the Government's interest, including the right of audit of expenditures.

TRAVEL

Travel costs are allowable expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business incident to the grant program. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and

results in charges consistent with those normally allowed in like circumstances in nonfederally sponsored activities. The difference in cost between first-class air accommodations and less-than-first-class air accommodations is unallowable except when less-than-first-class air accommodations are not reasonably available.

For States or political subdivisions, the per diem rate may not exceed the rate authorized by the State or political subdivision or the rate of $25 per day (whichever is less). For non-profit private organizations, payment of per diem should be in accordance with established travel practices of the grantee.

Any travel performed outside the United States under a USTS matching grant must be by U.S. flag carriers. Trips should be planned as early as possible to minimize scheduling problems which might necessitate the use of foreign carriers. For the use of non-U.S. flag carriers, or use of first-class transportation accommodations, prior written approval must be obtained from the Assistant Secretary for Tourism.

COMMUNICATIONS

Communication costs incurred for telephone calls or service, telegraph, teletype service, wide area telephone service (WATS), centrex, telpak (tie lines), postage, messenger service and similar expenses incident to the grant program are allowable.

MATERIALS AND SUPPLIES

The cost of materials and supplies necessary to carry out the project activity is allowable. Purchases made specifically for the grant program should be charged thereto at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received by the grantee. With-

drawals from general stores or stockrooms should be charged at cost under any recognized method of pricing consistently applied. Incoming transportation charges are a proper part of material cost.

RENTAL OF SPACE

The cost of space, whether in a privately or publicly owned building, may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality. The cost of space procured for grant program usage may not be charged to the program for periods of non-occupancy, without written authorization of USTS.

PRINTING AND REPRODUCTION

Cost for printing and reproducing services necessary for grant administration, including but not limited to forms, reports, manuals, and informational literature, are allowable.

Publication cost of reports or other media relating to the grant program accomplishments or results are allowable when provided for in the approved budget summary.

ENTERTAINMENT COSTS

Costs incurred for amusement, social activities, entertainment, and any items relating thereto, such as meals, lodging, rentals, transportation, and gratuities, are unallowable.

IN-KIND CONTRIBUTIONS

In-kind contributions represent the value of noncash contributions provided by the grantee, other public agencies and institutions, and private organizations and individuals. In-kind contributions may consist of value of services directly benefiting and specifically identifiable to the project activity.

For in-kind contributions to be accepted as part of the grantee's matching share, such contributions should:

(a) be identifiable from the grantee's records;

(b) not be included as contributions for any other federally assisted program; and

(c) be necessary and reasonable for proper and efficient accomplishment of project objectives.

ADHERENCE TO ORIGINAL BUDGET ESTIMATES

The grant award letter is accompanied by an approved budget summary which lists the categories and amounts for which matching funds are provided. The grantee may deviate within a range of plus or minus 10 percent of the amounts shown for each line item in the approved budget without the prior permission of USTS, provided that the total amount of the approved grant is not increased. Any deviations greater than 10 percent must have prior written approval from USTS.

ADHERENCE TO ORIGINAL PROJECT OBJECTIVES

Deviations leading to major modifications of the project must be approved in advance and in writing by USTS before the modifications are placed in effect by the grantee.

Project directors are encouraged to seek advice and opinion of USTS on special problems that may arise. Such advice shall not relieve the project director of his responsibility for total project direction.

CHANGE OF PROJECT PERSONNEL

The grantee should promptly inform USTS whenever changes of the project director or other key personnel are anticipated.

Requests for approval of a change of project director must be accompanied by a

vita (listing the training and qualifications) of the nominee and must bear the signature of an appropriate administrative official of the grantee.

TRANSFER OF GRANTS

The transfer of a grant award from one organization to another is prohibited. Should a project director change his organizational affiliation, he must resign from the project, and the grantee organization must either terminate the grant or appoint and secure USTS approval of a new project director. The original director may submit a new application through his new organization. Regardless of the action taken on either the original or a new application, final substantive technical and grant fiscal reports on the original grant are required.

FUNDING OF GRANTS

After a grant award has been made, funds to carry out the purpose of the grant may be obtained by submitting in triplicate the "Grant Fiscal Report and Cash Request" Form USTS-2 to the United States Travel Service, U.S. Department of Commerce, Attention: Grants Officer, Washington, D.C. 20230.

Treasury Department Circular No. 1075, dated April 10, 1969 (31 CFR Part 205), limits cash advances to grantees to those amounts needed to finance their current operations. Accordingly, grantees should request cash advances only when it is essential to meet their current disbursement needs.

Five percent of the Federal matching share will be withheld until the final substantive technical report has been submitted by the grantee and accepted by USTS.

The grantee should establish a separate account for grant funds provided by USTS.

In no case will funds be comingled with the personal funds of any of the officials of the grantee organization, nor will any of the funds be deposited in personal bank accounts for disbursement by personal checks.

EXPENDITURE OF GRANT FUNDS

Any expenditures incurred prior to the effective date of the grant or commitments incurred subsequent to the expiration of the grant may not be charged against the grant. However, commitments made prior to the scheduled grant expiration date may be liquidated within 90 days of that date.

Any commitments or expenditures incurred by the grantee in excess of the total approved project costs shall be the responsibility of the grantee organization.

REPAYMENT OF GRANT FUNDS

Funds unexpended at the expiration of the grant must be remitted to USTS along with the Final Grant Fiscal Report. The remittance should include any interest accumulated on grant funds and/or any income proceeds realized from operations of the grant project. Income proceeds should be divided in the same ratio as the Federal and non-Federal funds that make up the total grant. The amount of income and/or interest accruing on Federal funds must be returned to USTS via check made payable to "U.S. Treasury."

TERMINATION OF GRANTS

The grant may be terminated in whole or in part, by USTS if (1) the grantee, or those with whom the grantee has contracted or consulted, is not complying with provisions of the grant; or (2) any funds paid to the grantee have been lost, misapplied, or otherwise diverted from or improperly used or expended for other than the purposes for which they were paid.

Such termination shall be effective 30 days after the mailing of a written notice of termination to the grantee. In the event that the grant is terminated, any funds that have been paid to the grantee by USTS which have not been expended or contracted for upon receipt of the notice of termination shall be remitted to USTS within 30 days of such notice.

CUSTODY OF FUNDS

The grantee shall covenant that each of its officials or employees having custody of project funds shall be bonded at all times in the amount at least equal to the total funds in his custody at any one time; however, if the grantee is a governmental body having a blanket bond coverage for its employees, this requirement may be waived. Costs of bonds required according to the terms of the grant are allowable.

SAFETY PRECAUTIONS

USTS cannot assume liability with respect to accidents, illnesses, or claims arising out of any work undertaken with the assistance of the grant. The grantee organization should take steps to insure or protect itself as it may deem desirable.

CONFLICT OF INTEREST

To avoid any conflict of interest in connection with the administration of a grant, adequate standards and rules must be established to ensure that no officer or employee of the State or political subdivision or their designated agencies, or private or public organization, shall received compensation from sources other than his employer for tourism development or promotional services for which funds are provided and that no such officer or employee shall otherwise maintain any private interest in conflict with his public responsibility.

OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of the grant, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to grants if made with a corporation for its general benefit.

COMPLIANCE WITH CIVIL RIGHTS ACT

Every grantee must comply with the Civil Rights Act of 1964, and as a condition to the entitlement to any funds, shall have executed an assurance of compliance as required by the USTS pursuant to Regulations issued by the Department of Commerce, in implementing of the Civil Rights Act of 1964, and designated as Part 8 of Subtitle A of Title 15 of the Code of Federal Regulations.

EQUAL EMPLOYMENT OPPORTUNITIES

The Federal Government requires that equal employment opportunities be provided to qualified persons without discrimination on the ground of race, color, religion, sex, or national origin in any project involving Federal assistance. This requirement is applicable to USTS grants. Moreover, Executive Order 11246 dated September 24, 1965, is equally applicable to subcontracts that may be made from the assistance of USTS grants. Therefore, grantee shall see that subcontractors comply (where applicable) with Executive Order 11246, and the rules and regulations and relevant orders of the Secretary of Labor.

PATENTS AND INVENTIONS

Whenever any invention, which is or may be patentable, is conceived in the performance of work under the grant or subcontract, the grantee shall furnish USTS a written report containing full and complete techni-

cal information. USTS shall have the right to determine whether or not and where a patent application shall be filed, and to determine the disposition of the invention and title to and rights under any application or patent that may result. USTS, in making such a determination, shall take into account the public interest and the equities of the grantee. The grantee agrees that it will, and warrants that inventor(s) will execute all documents and do all things necessary to carry out the determination of USTS.

PUBLICATIONS AND COPYRIGHTS

The Government reserves a non-exclusive license to use and reproduce for Government purposes, without payment, any publishable matter or information collected, including copyrighted material, resulting from activities supported under the grant.

ACKNOWLEDGMENT OF SUPPORT

An appropriate acknowledgment of USTS support should be made in connection with the publication of any materials or films developed under the grant.

COLLECTION OF INFORMATION

If the grantee collects information from the public on its own initiative in connection with a research or other general purpose project, it will not, without written approval of USTS, in any way represent that the information is being collected by or for a Federal agency.

ACCESS TO RECORDS AND RIGHT TO AUDIT

The grantee agrees that the Assistant Secretary for Tourism and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to and the right to examine any books, documents, papers, and records of the grantee involving transactions relating to the grant.

Financial records must be kept on file for a minimum of three years following the expiration of the grant. The required retention period may be extended by written notification by the Assistant Secretary for Tourism.

ACCOUNTING PROCEDURES

To make possible the determination that grant funds were used for the purpose for which the grant was made, the grantee shall maintain books, records, documents, and other evidence sufficient to reflect properly all direct costs of whatever nature claimed to be incurred against the grant.

Accounting records should be maintained in accordance with the requirements in the Rules and Regulations, Section 1200.5, of the *Federal Register,* of August 27, 1971.

GRANT REPORTS

It is essential that USTS be kept informed of progress and problems under the grant. Thus, depending upon the duration of the project, interim letter technical progress reports may be required in addition to a final substantive technical report.

When a grant is for a period of six months or less, only a final technical report (describing and evaluating the project accomplishments) is required. However, if the grant period is over six months, interim letter progress reports are required every six months. See Appendix II for format to be used for interim or final technical reports.

The final substantive technical report and a final grant fiscal report are required, in triplicate, within 90 days after the official expiration of the grant.

The Grant Fiscal Report and Cash Request (USTS Form–2) must be prepared and submitted each time a request for funds from USTS is made.

APPENDIX I

EXHIBITS 1–5

Every application, except where specifically waived by the Assistant Secretary for Tourism, shall be accompanied by the following exhibits:

Exhibit No. 1. A statement setting forth in detail the current level of tourism in the area in terms of (a) numbers of tourists in area, both foreign and domestic; (b) impact of tourism on area economy (i.e., employment and income); and (c) current efforts to develop and promote tourism in area.

Exhibit No. 2. A project statement setting forth in detail (a) the existing need for Federal assistance; (b) the goals and objective thereof, in terms of tourism receipts and their effects on area jobs and income; (c) the specific methods proposed for accomplishing these objectives in terms of personnel and funds; and (d) the procedures that will be used to evaluate the project.

Exhibit No. 3. A statement setting forth in detail (a) the proposed budget for the project, and (b) the procedures for fiscal control, funding, accounting and auditing to assure proper disbursement of funds paid to the applicant.

Exhibit No. 4. Documentation establishing that the applicant has coordinated the travel promotion project with other States (when regional cooperation is desirable) and with other publicly supported activities within the States or political subdivision, as appro-

priate, and the extent and manner in which such coordination has been carried out by (a) identifying such projects and activities, and (b) indicating how any duplication of other travel promotion projects in the area has been avoided.

Exhibit No. 5. Certification by the Governor of the State or the chief political officer of the political subdivision or the president of the private of public nonprofit organization, as the case may be, that the applicant has:

(a) Established adequate standards and rules to insure that no officer or employee of the State or political subdivision or their designated agencies, or private or public organization, shall receive compensation from sources other than his employer for tourism development or promotional services for which funds are provided and that no such officer or employee shall otherwise maintain any private interest in conflict with his public responsibility.

Each applicant will furnish a copy of standards and rules which are established to avoid any conflict of interest in connection with the administration of a grant which may be made by USTS. Such rules shall clearly set forth the standards and procedures which officers, employees, and consultants can follow to avoid any conflict of interest.

(b) Determined that matching funds will be available from States or other non-Federal sources. In addition, each applicant shall indicate the basis for the determination by identifying such sources.

(c) Determined that such travel promo-

tional project supported by a grant which may be made by USTS does not provide or arrange transportation for, or accommodations to, persons traveling between foreign countries and the States in competition with any private business engaged in providing or arranging for such transportation and accommodations.

(d) Planned no services specially related to a particular firm or company, public work or other capital project except insofar as the services are of general concern to the industry and commerce of the State or political subdivision.

If the applicant has planned services which are specially related to a particular firm or company, public work or other capital project, a statement describing such services and the basis for the determination that such services are of general concern to the industry and commerce of the State or political subdivision.

APPENDIX II

FORMAT FOR INTERIM OR FINAL TECHNICAL REPORTS

Name of Grantee Organization
Name of Project Director
USTS Grant Number
Project Title
Period Covered by Report

I. Brief Description of Project

II. Benefits Derived from the Project

III. Comments on any Major Problems

IV. Evaluation of Project Achievements

V. Attachments of any Pertinent Data or Information Relating to Project Activity

VI. Signature of Project Director and Date

Send the Reports to:

Grants Officer
United States Travel Service
U.S. Department of Commerce
Washington, D. C. 20230

U.S. DEPARTMENT OF COMMERCE
United States Travel Service
Washington, D.C. 20230

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